



CONNECTICUT EMPLOYEES UNION INDEPENDENT

PO Box 1268
Middletown, CT 06457

Testimony by Carl Chisem, President

Connecticut Employees Union Independent, SEIU Local 511

S.B.21 AN ACT CONCERNING A STATE-WIDE PROPERTY TAX
ON CERTAIN RESIDENTIAL REAL PROPERTY

S.B.28 AN ACT ESTABLISHING A CAPITAL GAINS SURCHARGE

S.B.29 AN ACT CONCERNING THE EARNED INCOME TAX CREDIT

Finance, Revenue and Bonding Committee Public Hearing

March 3, 2022

Good afternoon Senator Fonfara, Representative Scanlon, Senator Martin, Representative Cheeseman, and the distinguished members of the Finance, Revenue and Bonding Committee. My name is Carl Chisem and I am President of the Connecticut Employees Union Independent, SEIU Local 511 and a member of Recovery For All, a statewide coalition of faith, community, and labor organizations united to eliminate systemic inequalities and rebuild a better Connecticut. Our union represents over 6,000 active and retired blue collar maintenance and service State workers. Our members provide valuable services within our state facilities. They cook, clean, repair, maintain and deliver in Connecticut's State buildings, hospitals, college campuses, airports, roads, bridges and parks. Thank you for the opportunity to testify in support of SB 21, SB 28 and SB 29.

Across Connecticut, regardless of our race, gender, income level or town in which we live, we have all pulled together to navigate the pandemic and its ensuing financial devastation. Now, as the virus recedes and with our coffers full, it's time to provide relief to our most vulnerable residents. It needs to be more meaningful than a one-time, election year tax cut. We must rebuild our public services - not just to deliver much needed immediate assistance, but to strengthen our communities for the long-term by eliminating the disparities that create inequality. No one in Connecticut, the wealthiest state in the wealthiest country, should be forced to live with the untenable levels of stress that are created when one can only focus on survival.

The 2014 state tax incidence analysis shows that the bottom 50% of Connecticut taxpayers contribute 23.6% of their income, whereas those in the top 1% contribute a mere 7.5%. That top 1% has continued to do very well since 2014. Since the start of the pandemic, Connecticut's 13 billionaires seized \$13.7 billion in additional wealth – adding on average \$1 billion each – while hundreds of thousands of working people, especially working people of color, saw their lives upended.

The ultra-wealthy have been allowed to rig the rules in their favor and profit from others' work while refusing to contribute at the same levels we all pay to fund schools, higher education, infrastructure, healthcare programs, and other vital public services upon which we all rely. This must stop. We must join together to create a sustainable recovery, but we can't do it alone on

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federal funds that will soon expire. The unmet need is too great. SB 29 would begin a Recovery For All by providing immediate and permanent relief to those who need it most. It should be coupled with a child tax credit to help bring working families out of poverty and give them a fighting chance to make ends meet, provide for their children and save for a rainy day.

SB 21 and 28 would ask high income earners to share the responsibility of building a strong economy. They are important, common sense measures, but we should also raise marginal rates on households with incomes over \$1 million. That level of contribution will go a long way to revitalizing and expanding programs and services that build equity. It would create a vibrant Connecticut where everyone can thrive. Many low-wage earners are also essential workers who've been on the frontlines of the pandemic, treating our sick and keeping our economy moving. They deserve the pandemic hazard pay that the U.S. Treasury Department deemed an appropriate use of American Rescue Plan Act funds. The state of Connecticut has permission and the resources to recognize their sacrifices. We hope it will find the will.

Lastly, we should be asking mega-profitable corporations to do more. Increasing the current corporate income tax surcharge from 10% to 20% and increasing the business tax on corporations whose gross income is \$100 million or greater from 7.5% to 11.5%, would generate

between \$250 million to \$300 million. Huge tech companies like Google, Facebook, and Amazon maximize their profits by surveilling, collecting, and reselling user data to target online advertising. A 10% tax on digital advertising on any company with income over \$10 billion would generate approximately \$140 million annually. Connecticut can be friendly to industry without shortchanging the people who have lived here for generations.

The scale of this crisis demands a bold response—people are suffering and our state has a responsibility to meet our needs. Addressing the unfairness of Connecticut's tax code is a good first step in this process. We have an unprecedented opportunity to stop the hurt so many families are feeling by funding essential services, reducing economic and racial inequality, and setting our state on a path to robust economic recovery by restoring fairness to our tax code. I urge the Committee to have the courage to make the right choice and pass SB 21, SB 28 and SB 29. Thank you for the opportunity to testify.